

ORIGINAL



0000081230

Robert Cassaro  
PO Box 1522  
Pine, Az 85544  
Jan. 22, 2008

06

ACC Commissioner  
Mayes ✓  
Pierce

W.03512A-07-0362


Dear Commissioner Mayes and Pierce

I am sending You a copy of My request to Pine Water Co. because both of You heard in Person the various complaints / concerns from Pine and Strawberry Water customers the evening of Dec.4 , 2007 at the Pine School Gym.

This is another prime example of what I consider to be "Sub Standard" performance / borderline CRIMINAL activities of Pine Water Co. / Brooke Utilities.

  
Robert Cassaro

Arizona Corporation Commission  
**DOCKETED**  
JAN 25 2008

DOCKETED BY 

AZ CORP. COMMISSION  
DOCKET CONTROL

2008 JAN 25 A 10:00

RECEIVED

**RECEIVED**  
JAN 24 REC'D  
By \_\_\_\_\_

Robert Cassaro  
PO Box 1522  
Pine , Az. 85544  
Jan. 22 , 2008

Pine Water Co. Inc.  
PO Box 9005  
San Dimas , Ca. 91773-9005

CC: ACC Commissioners  
Mayes and Pierce

Subject: Billing (Bill Date 1/11/08)  
Account # 9014152-4  
(Copy of bill attached)

To Whom it may concern

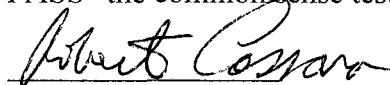
I am requesting an explanation regarding the above mentioned bill and account #.

I expect a written reply to the following questions , listed in "Specific Detail" by Feb. 12 , 2008.

My questions are:

- How is it possible to arrive at an estimated Jan. 08 use rate of 6025 gallons ?
- Why was not one of the following methods used to arrive at estimated "use rate":
  - 1) average of previous 12 months use rate
  - 2) Jan. 07 actual use rate
  - 3) actual "Highest Month" (Oct.07) use rate

I have paid this bill (\$49.37) electronically even though I FIRMLY OBJECT to whatever method was used to arrive at Jan. 08 estimated use rate. The method used DOES NOT PASS "the common sense test".

  
Robert Cassaro

KEEP THIS PART FOR YOUR RECORDS

Bring entire bill when making payment in office

INE WATER CO INC

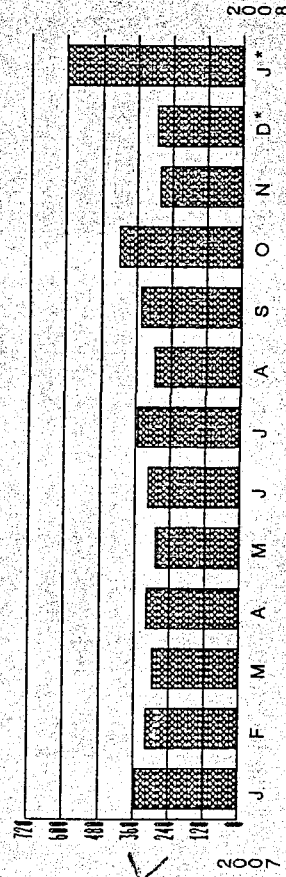
Customer: ROBERT CASSARO  
Service at: WH P6D1  
Rate Schedule 14A PINE WATER - E&R SYSTEM  
Bill Date: 1/11/08  
Account #9014152-4  
24-Hour Phone: (800) 270-6084

Previous Statement  
PREVIOUS BILLING - 12/13/07 32.88  
PAYMENT RECEIVED - 12/27/07 THANK YOU 32.88  
PREVIOUS BALANCE .00  
SERVICE PERIOD - 11/13 to 1/10 - 58 days  
NEXT SCHEDULED READ DATE - 2/11/08  
WATER USAGE ESTIMATED 27.83  
MINIMUM CHARGE (5/8" X 3/4" M) 18.45  
OTHER CHARGES (SEE DETAIL BELOW) 3.09

CURRENT BALANCE DUE BY 1/28/08 49.37  
TOTAL AMOUNT DUE 49.37

METER NUMBER 42960523  
READINGS PREVIOUS 795280  
CURRENT 6,015  
USAGE LAST YEAR GAL 3,540

Usage History



Other Charges



USAGE TAX (6,015 @ .00650) .04  
SALES TAX (GILA CO.) (46.28 @ .06600) 3.05  
TOTAL OTHER CHARGES 3.09

Bob Cassaro  
Pine Resident

Honorable Commissioners  
Members of The Public  
K -2 Agreement

I had no intention to speak this evening until I saw the article in the Friday 11/30/07 edition of the Payson Roundup titled "Corporation commission will hold meeting in Pine." (copy included in hand out) The third column to the right and the end of the first full paragraph reads "additionally when Strawberry is in crisis, it will not provide water to the Pine Water Co."

The BIG question is who will determine when Strawberry is in crisis? I believe the answer will be that the Presidents of Brooke Utilities, Pine Water Co., and Strawberry Water Co. will make that decision. Those Presidents are all one and the same person and that is Mr. Robert Hardcastle. If this is the case I strongly urge the customers of both Pine Water Co and Strawberry Water Co. to HOLD ON TO YOUR WALLET!

There is currently litigation underway against Pine Water Co. by several Pine property owners who wish to withdraw from the Pine Water Co. franchised area. This is being heard under Docket # W-03512 A – 06- 0407 et al. During the hearing proceedings several interesting points were revealed by Mr. Hardcastle while being questioned under oath on the witness stand. (copies of a portion of his testimony pages 1334, 1335, 1336, 1337, 1360, 1361, 1374, 1375, 1376, and 1377 are attached to the hand out).

In the interest of saving time I will not read all of the above mentioned pages, but will summarize Mr. Hardcastle's response to some very key questions. The details are in the hand out for you to read at a later date.

Summary:

- Pine Water Co. drilled two wells in Strawberry to supply water to Pine.
- Both the construction costs and the operating expense of these two wells is in the Pine Water Co. rate base – Pine Water customers are paying these costs.
- The water from these two wells is being used to supply Strawberry customers.
- Strawberry Water customers DO NOT pay a hauling charge.
- Because the Pine wells are supplying Strawberry, more water has been hauled into Pine in 2007 compared to 2006 which has significantly increased hauling charges for Pine customers.
- Mr. Hardcastle attempted to justify this by stating Strawberry Water is paying Pine Water for the water used by Strawberry.
- The cost of hauled water is significantly higher than the price paid by Strawberry Water to Pine Water.

In addition to the 7 items mentioned in the above summary there was additional disturbing information that came to light in the 2003 Pine Water Co. rate case hearing filed under Docket # W – 03512A-03-0279. It was discovered that Mr. Hardcastle was charging Pine Water Co. \$15.00 per thousand gallons of water moved to Pine from Strawberry down the Project Magnolia pipeline. Mr. Hardcastle attempted to justify this practice by stating that it is less expensive than hauling water by truck even though he was buying water through a water sharing agreement for fifty cents per thousand gallons!

This is a 3,000 percent gross profit! This practice was stopped as part of a settlement agreement initiated by Pine Water Co.

All of the above information is presented as an introduction to the subject at hand, which is the K-2 agreement.

If this K-2 agreement is approved several things will happen:

- 1) If the well does come in and produces 150 GPM, Mr. Hardcastle will have an additional opportunity to “Stiff Us” by stating Strawberry is “In Crisis” and proceed to do as he pleases with the water.
- 2) Pine customers will be paying for the additional water supply in the Pine Water Co. rate base and could remain subject to further hauling charges.
- 3) The Commissioners will have violated their “Oath Of office” which clearly states they will UPHOLD the Constitution of the State Of Arizona.
- 4) Article 9, section 10, of the Arizona Constitution specifically prohibits the appropriation of public money to aid a public service corporation .It states:  
“ No tax shall be laid or appropriation of public money in aid of any church or sectarian school, or any public service corporation”

The BIG DISAPPOINTMENT in all of this is that the only way for any of these underhanded business dealings to be revealed is through litigation.

Mr. Hardcastle is an eloquent speaker and a charming individual – BUT – it is beyond comprehension how all of you could be duped by him for such a long period of time , it MUST STOP NOW.

This concludes my statement.